



## GENERAL LEGAL ACTIVITIES Tax Division (TAX)

FY 2017 Budget Request At A Glance	
FY 2016 Enacted:	\$107.0 million (639 positions; 377 attorneys)
Current Services Adjustments:	+\$7.2 million
Program Changes:	+\$0
FY 2017 Budget Request:	\$114.1 million (639 positions; 377 attorneys)
Change From FY 2016 Enacted:	+\$7.2 million (+6.7%)

**Mission:**

The mission of the Tax Division (TAX) is to enforce the nation's tax laws fully, fairly, and consistently, through both criminal and civil litigation, in order to promote voluntary compliance with the tax laws, maintain public confidence in the integrity of the tax system, and promote the sound development of the tax laws.

**Organization:**

TAX is headed by an Assistant Attorney General, who is appointed by the President and confirmed by the Senate. Four Deputy Assistant Attorneys General help manage the Division. All of the Division's offices are located in Washington, DC, except the Southwestern Civil Trial Section, which is located in Dallas, Texas.

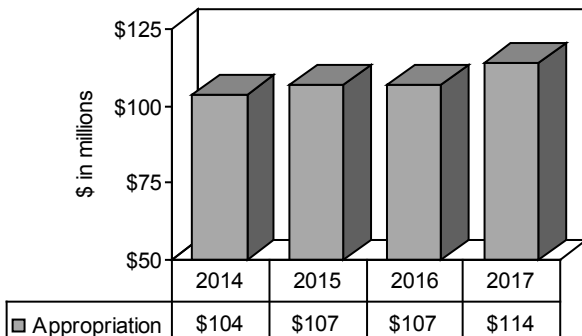
**Resources:**

The FY 2017 budget request for TAX totals \$114.1 million, which is a 6.7% increase over the FY 2016 Enacted level.

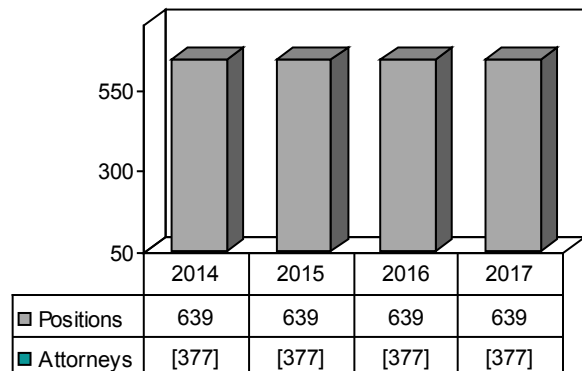
**Personnel:**

TAX's direct positions for FY 2017 total 639 positions and are the same as the FY 2016 Enacted level.

**Funding (FY 2014 - 2017)**



**Personnel (FY 2014 - 2017)**



## FY 2017 Strategy:

TAX will continue to play a significant role in the Government's efforts to enforce the tax laws fully and fairly, in both the civil and criminal arena, and to combat abuse of the Nation's internal revenue laws. TAX's litigation furthers the longstanding bi-partisan goal of reducing the Tax Gap. TAX also represents a significant return on investment, as the sums collected and refunds saved by the Division consistently exceed its annual appropriation. In addition, TAX's strategy of publicizing its litigation accomplishments has a deterrent effect on would-be tax offenders, while also strengthening the Nation's voluntary compliance system by assuring law-abiding taxpayers that those who attempt to shirk their lawful responsibilities will be held accountable.

The Division's criminal enforcement strategy is to ensure strong, consistent and uniform prosecution of the criminal tax laws to punish offenders, deter future violations, and reassure honest taxpayers that they will not bear an undue share of the federal tax burden. For FY 2017, the Division will continue its efforts in several high-priority criminal enforcement areas, including:

- **Stolen Identity Refund Fraud**, in which criminals file for tax refunds using stolen identities. This crime costs the Government billions of dollars and affects tens of thousands of citizens.
- **Offshore Tax Evasion**, which remains one of TAX's top litigation priorities. Non-compliance with U.S. tax laws through the use of secret offshore bank accounts, technically sophisticated financial instruments, and use of the Internet to quickly transfer money around the world remains a major source of noncompliance.
- **Tax Defiers**, who reject the legal foundation of the tax system (despite decades of legal precedent upholding the system's constitutional and statutory validity) and who takes specific and concrete action to violate the law. TAX uses its resources judiciously by targeting prominent tax defiers – ringleaders or influential followers – for civil enforcement and criminal prosecution.
- **Financial Fraud** cases, in which tax charges have long been used to prosecute complex fraud. Prosecution of mortgage fraud, securities fraud, and other financial fraud is often strengthened by the addition of tax charges.

TAX's primary civil strategy is to defend against federal tax cases filed by taxpayers and to file tax enforcement and collection cases in the federal courts. By targeting acute tax enforcement problems that threaten the nationwide administration of the tax system, the Division ensures that the tax laws are properly enforced. TAX also defends the Federal Treasury against tax refund claims arising from complex and abusive corporate and individual tax shelters that are estimated to cost the Treasury billions of dollars annually. TAX also brings suits to stop tax scam promoters and unscrupulous preparers, to collect unpaid taxes, and to allow the Internal Revenue Service to obtain information needed for tax enforcement.

## FY 2017 Program Changes:

The budget proposal includes funds for current services for TAX. No program changes are requested.

**Tax Division**  
(Dollars in Thousands)

	Tax Division		
	Pos.	FTE	Amount
<b>2015 Appropriation</b>	<b>639</b>	<b>447</b>	<b>106,674</b>
<b>2016 Enacted</b>	<b>639</b>	<b>534</b>	<b>106,979</b>
<b>2017 Request</b>	<b>639</b>	<b>534</b>	<b>114,135</b>
<b>Change 2017 from 2016 Enacted</b>	<b>0</b>	<b>0</b>	<b>7,156</b>
<b>Technical Adjustments</b>			
<b>Total Technical Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Base Adjustments</b>			
Pay & Benefits	0	0	634
Domestic Rent & Facilities	0	0	6,522
<b>Total Base Adjustments</b>	<b>0</b>	<b>0</b>	<b>7,156</b>
<b>2017 Current Services</b>	<b>639</b>	<b>534</b>	<b>114,135</b>
<b>Program Changes</b>			
<b>Increases:</b>			
<b>Subtotal, Program Increases</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Decreases:</b>			
<b>Subtotal, Program Decreases</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Program Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2017 Request</b>	<b>639</b>	<b>534</b>	<b>114,135</b>

**Tax Division**  
(Dollars in Thousands)

Comparison by activity and program	2016 Enacted			2017 Current Services		
	Pos.	FTE	Amount	Pos.	FTE	Amount
General Tax Matters	639	534	106,979	639	534	114,135
<b>Total</b>	639	534	106,979	639	534	114,135
Reimbursable FTE	0	0	0	0	0	0
<b>Grand Total</b>	639	534	106,979	639	534	114,135

Comparison by activity and program	2017 Total Program Changes			2017 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount
General Tax Matters	0	0	0	639	534	114,135
<b>Total</b>	0	0	0	639	534	114,135
Reimbursable FTE	0	0	0	0	0	0
<b>Grand Total</b>	0	0	0	639	534	114,135